



DEPARTMENT OF
TOURISM AND CULTURE

2012-2013
ANNUAL REPORT



Tourism and
Culture

Prince Edward Island
Department of Tourism and Culture

Annual Report
2012-2013

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Minister's Message



The Honourable H. Frank Lewis
Lieutenant Governor of Prince Edward Island

May It Please Your Honour:

I have the honour to submit herein the annual report for the activities of the Department of Tourism and Culture and Tourism PEI for the period of April 1 2012, to March 31, 2013.

The Department of Tourism and Culture and Tourism PEI are responsible for the promotion of Prince Edward Island as a premiere tourism destination. Our rolling green hills, white sand beaches and scenic coastal vistas make the Island one of the most scenic provinces in the country. Add in our delicious food, world class golf, distinct cultural offerings and friendly hospitality and you have a product that is effectively marketed all over eastern North America.

The Department also manages our provincial parks system, the Confederation Trail and Brookvale provincial ski park. These venues help promote healthy lifestyles and active living for Islanders and Visitors alike.

The Department also remains committed to preserving the Island's unique history and culture through its support of cultural industries in the province, the public library system, and the public archives.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Robert Henderson".

Robert Henderson
Minister of Tourism and Culture

Deputy Minister's Message

The Honourable Robert Henderson
Minister of Tourism and Culture
PO Box 2000
Charlottetown, PE C1A 7N8

Honourable Minister:

It is my pleasure to present the annual report for the Department of Tourism and Culture and Tourism PEI for the period of April 1, 2012, to March 31, 2013.

2012 marked the beginning of a multi-year strategy to promote the 150th anniversary of the Charlottetown Conference of 1864; the meeting of the Fathers of Confederation that led to the creation of this great country. PEI 2014 Inc, the organization tasked with planning and executing the year long celebrations, began operations in earnest and started laying the groundwork for what promises to be a once in a generation celebration on the Island, and a tremendous opportunity for local tourism operators and the Island's cultural industries.

The Department and Tourism PEI continue to support and provide funding to a number of highly successful events that have helped drive visitation to the Island including the Fall Flavours Festival, the Cavendish Beach Music Festival, The Charlottetown Festival and Small Halls.

The Department and Tourism PEI continue to work very hard at promoting PEI as a world class vacation destination and at preserving and sharing our unique culture and heritage.

Yours Truly,



David MacKenzie
Deputy Minister of Tourism and Culture

Departmental Overview

General administration consists of the Office of the Minister and Deputy Minister providing leadership, overall management, administration, and communication for the department.

The Culture and Heritage division provides leadership, programs and services to the residents of Prince Edward Island in the areas of recorded information management, historic preservation and documentation, and cultural development. The division also provides liaison between the Government of Prince Edward Island and organizations which are representative of these sectors.

The Provincial Libraries Division, also known as the Public Library Service (PLS), is responsible for the administration and operation of Prince Edward Island's province-wide public library system, and for the provision of technical services for the public schools of the province. Public library service on Prince Edward Island is a partnership between the provincial government and participating communities.

Tourism PEI Overview

Tourism PEI is a Crown Corporation established by an Act of the Provincial Legislature. Among its original purposes were to have the power to hold shares of subsidiary companies, to be able to hold title to real property and to receive industry revenues, primarily from marketing initiatives. It has a Board of Directors that meets annually to appoint auditors, approve financial statements, and review operations. The Board is appointed at pleasure by Executive Council and during fiscal 2012-2013 was comprised of:

Minister Robert Henderson

Deputy Minister David MacKenzie

Jeanette Arsenault - Industry representative

Don Cudmore - Industry representative

Kevin Jenkins - Tourism PEI

The Corporate Services Division of Tourism PEI is responsible for general administration, financial services, human resources, records management, insurance matters, FOIPP, Provincial Parks and Provincial Golf Operations.

The Strategy, Evaluation and Industry Investment Division (SEII) is responsible for regional tourism development and investment, the development and implementation of industry support programs, managing the regulatory affairs pursuant to the Tourism Industry Act (license, occupancy report, water testing) and the Highway Signage Act (Tourism Directional Signage, Special Event Signage and On-Premise Signage). SEII is also the lead liaison on intergovernmental affairs including an advocacy role to represent the interests of the tourism industry in key policy areas such as improved air access, tourism related legislation, labour and immigration issues, and land use matters.

The Marketing Communications Division aggressively markets and promotes Prince Edward Island as a premier vacation destination and ensures quality services for the tourism industry of Prince Edward Island. The division is responsible for customer service, retention and loyalty. Customer service centres include the provincially run visitor information and call centres. The division is also the lead for the implementation of the integrated tourism solution (ITS) technology and the central reservation system.

Tourism Industry Snapshot

There were 1,236,439 visitors on Prince Edward Island in 2012. This is a 0.15 per cent increase over 2011.

Overnight stays decreased by 0.2 per cent, to 786,039. Campground stays were up 4.2 per cent, while fixed roof room nights were down 1.9 per cent.

During 2012, airport traffic increased by 4.3 per cent, ferry traffic increased by 2.0 per cent, and bridge traffic decreased by 0.6 per cent. Cruise ship passenger and crew visits increased by 10.6 per cent.

55,847 visitor guides were mailed out, of which 9,440 were French guides.

In 2012, meetings, conventions, and incentive travel (MCIT) made a significant impact on tourism in PEI. For the 2012 fiscal year there were 209 meetings, bringing in 16,499 delegates. Meetings and Conventions sector injected \$16.3 million into our economy.

Prince Edward Island Tourism Advisory Council

The PEI Tourism Advisory Council (TAC) is an industry advisory board to the Minister of Tourism and Culture. TAC is made up of a board of 19 members, as well as ad-hoc task forces and committees struck from time to time to address particular issues or opportunities. At the council level, there are 14 industry stakeholders and five senior provincial and federal government members and staff involved in TAC. The council was originally appointed in December of 2004, as the result of a collaborative effort of industry, provincial and federal government leaders meeting to discuss challenges within the tourism industry in Prince Edward Island.

The mandate of TAC is set out in the *Tourism Industry Act* and is "to advise the Minister on tourism research, tourism product development and tourism marketing strategies to promote and enhance Prince Edward Island's reputation as a premier tourism destination." TAC also leads the longer-term strategy process and was responsible to develop a new five-year vision for tourism in 2010. The result of this process was *Strategy 2015: Momentum-Invention-Mobilization*. The strategy was undertaken in a collaborative environment through the Tourism Advisory Council, which is also the platform for the annual plan development, led by the Department. This ensures federal, provincial and industry buy-in at both the strategic and tactical levels. In short, TAC leads the strategy process and the Department leads the annual plans to define the tactics to respond to the strategy goals and objectives.

Based on preliminary revenue estimates, and in response to industry concerns, TAC undertook a review of the Strategy goal in the summer of 2012. Despite modest increases, the tourism industry fell short of our growth targets in the first two years, which made the goal increasingly unattainable. An assessment of the growth trend to date, the sources of that growth, the economic outlook in our key markets and the state of our industry investment in the current fiscal climate was completed and the goal was revised to \$424 million with growth rates of 2%, 5% and 2%, respectively, for the remaining three years of the strategy, 2013-2015.

In conjunction with this effort, TAC prepared the second annual report from the findings of the component research efforts completed by the Tourism Research Centre at UPEI. This methodology was introduced in 2011 and provides an evaluation framework to measure progress on *Strategy 2015*. The 2012 annual report was presented to industry in March, 2013.

In addition, TAC struck a task force to evaluate the service of the Tourism Research Centre in relation to their business plan and in terms of the relevance of the work to the tourism industry. The task force completed their work and submitted their recommendation to the Minister of Tourism and Culture in December, 2012.

The Department led the annual planning process in the fall of 2012 and consulted with TAC on the tactics, priorities and key initiatives for 2013. The result of this work was presented to industry at the TIAPEI Conference in November, 2012 and focused on the new three year Departmental plan and integration of Culture and Tourism under one portfolio. Opportunities identified included culture and 2014, as well as a focus

on the key demand generators and exploration of emerging markets such as China, in conjunction with the Atlantic Canada Tourism Partnership. The 2012 Tourism Plan key initiatives also included participation in the province-wide branding process, a commitment to monitoring and evolving the Visitors Guide in the context of current technology, exploring avenues for increased investment and a review of seasonality policies at both the federal and provincial levels.

Tourism PEI Division Activities

Strategy, Evaluation, and Industry Investment

The Strategy, Evaluation and Industry Investment Division is responsible for tourism development and investment, the development and implementation of industry support programs, managing the regulatory affairs pursuant to the *Tourism Industry Act* and the *Highway Signage Act*.

The division works actively with the Tourism Advisory Council, The Tourism Industry Association of PEI (TIAPEI), Regional Tourism Associations, Quality Tourism Services and industry stakeholders in conducting research projects on consumer demand, quality assurance initiatives and new product development opportunities. The division also works with the Tourism Research Centre to increase the research capacity of the province and assist with the transfer of knowledge to industry partners.

Evaluation, Measurement and Business Intelligence Unit

This unit is responsible for the on-going monitoring of the department's objectives and strategies including:

- Establishing corporate performance measurement tools
- Working with the department's senior management team to integrate performance management principles into program activity
- Coordinating corporate performance activity.

The unit has overall responsibility for overseeing the development of evaluation frameworks and the identification of evaluation metrics.

Product Development, Investment, and Regulatory Affairs

Product Development, Investment and Regulatory Affairs is responsible for:

- Managing opportunities to grow current businesses and attract new tourism development and investment opportunities.
- The professional development of industry partners and operators through the provision and support of training initiatives to ensure the tourism industry on PEI is competitive in the global marketplace.

- All regulatory functions administered under the authority of the *Tourism Industry Act* and *Regulations* and the *Highway Signage Act* and *Regulations*.
- Ensuring that all tourism operators are in compliance with industry standards as prescribed by legislation and regulations.
- Overseeing the investigation of quality standard issues and maintain a close relationship with industry organizations involved with standards. The unit oversees the contract with Quality Tourism Services (QTS). On behalf of the Department, QTS is contracted to perform the inspections required for the licensing of tourist accommodations.
- This division also manages contracts with Golf PEI, and the Meetings and Conventions sector.

This unit is also responsible for the development and implementation of programs designed to support the expansion of the tourism industry through development of new and enhanced "product offerings" including, but not limited to key product markets such as coastal, golf, culinary and culture.

This division was responsible for the following funds in 2012-13:

- *The Regional Foundation Fund*
- *The Regional Product Development Fund*
- *The Tourism Innovation Fund*
- *The Acadian and Francophone Tourism Services Program*
- *Fonds de services pour des produits touristique acadien et francophone.*
- *The Festivals and Events Assistance Program*
- *The Meetings and Conferences Hosting Grant Program*
- *The Tourism Website French Translation Program*
- *The Reunion Assistance Program*

In 2012-13 government invested in the Cavendish Beach Music Festival held July 6-8, 2012 featuring Dierks Bentley, Alabama and Rascal Flatts.

The other major investments were made in the main stage productions at the Confederation Centre of the Arts, the Island wide Fall Flavours Culinary festival in September and Island Fusion Festival in late June as well as the new Arts and Heritage Trail.

Industry Standards

The quality of Prince Edward Island's products and services is essential to the long-term health of the tourism industry.

The *Tourism Industry Act* sets out the operating standards for Prince Edward Island tourism accommodation establishments. On an annual basis, every accommodation establishment must pass inspection. They must also have their water tested quarterly, submit monthly occupancy reports, and pay their annual license fee, in order to ensure that the property is in full compliance with the licensing standards set out in the *Act*.

Tourism PEI contracts Quality Tourism Services (QTS) to inspect and provide water testing support to all accommodation properties. QTS has a strong working relationship with Tourism PEI, and they employ professionally trained inspectors who are knowledgeable in the requirements of the *Act*.

Tourism PEI's compliance section supports licensed industry operators by enforcing the *Act* and works to bring unlicensed operators into compliance. Tourism PEI works closely with industry partners like TIAPEI and QTS to maintain the quality and standards that are critical to success. It is this team approach that ensures visitors enjoy the best possible vacation, based on quality services and memorable experiences.

Tourism PEI continues to strive toward increasing accessibility for the French-speaking public in order to comply with the *Canada-PEI Agreement on French Language Services*. Tourism PEI provides reception services in both official languages and several staff are fluent in French or are taking French language training. Once again, in 2012 the *Genuine Island Experiences* packaging brochure was available in French. This joins the *PEI Visitor's Guide* and a number of other publications which are translated into French as stand-alone pieces.

Visitor Information and Destination Centres provide services to the traveling public and are mandated to have bilingual staff available. The Centres have been in compliance for many years and continue to improve the level of service with each passing year. In all other venues of Tourism PEI's service to the public, every effort is made to ensure that there is service provided in French by front-line staff.

Under the terms of the *Canada-PEI Agreement on French Language Services*, the Association touristique Evangeline au service des Acadiens et Francophones de l'Île-du-Prince-Edouard received funding for its operations. This association brings together Acadian and Francophone tourism operators from across the province to better promote the Acadian and Francophone tourism product and the association works to present a united voice to government.

Fall Flavours

In 2012 the Fall Flavours culinary festival occurred from Sept. 7 to Sept. 30, 2012, and featured over 100 different culinary experiences, including signature events, culinary events, tasting events, adventures and dining events. Signature events featured Chefs from the FOOD NETWORK and highlighted food experiences across the Island. Fall Flavours provides unique local culinary experiences opportunity during Prince Edward Island's peak harvest season, which interests our target markets. Restaurants across the Island participated in the Dining program, creating special menus featuring Island product.

Meetings and Conventions and Employee Convention Hosting Opportunities (ECHO)

In 2012, the Meetings and Convention Sector attracted 209 meetings/conventions that drew 15,452 delegates and generated an off island spend of \$16.3 million dollars. This sector alone provided over \$16 million in new dollars to support the Island economy.

ECHO is a joint program with Tourism PEI, Tourism Charlottetown, and the PEI Meeting and Convention Partnership. The mandate of ECHO is to encourage provincial employees to invite meetings to Prince Edward Island. ECHO also assists with the organization of these meetings by utilizing the many resources for support such as those available through the PEI Convention Partnership and Tourism PEI.

Marketing Communications

The overall mandate of the Marketing Communications Division is to promote Prince Edward Island as a premiere vacation destination in our target markets.

The division is responsible for travel industry sales, media relations, advertising, publications, distribution, PR activations and promotions.

Tourism PEI is a partner in the Atlantic Canada Tourism Partnership (ACTP) which merges two levels of government and the region's private industry. The partnership allows the province to reach strategic markets in the US (New England and mid-Atlantic), and United Kingdom.

Tourism PEI also actively pursues partnership opportunities with the Canadian Tourism Commission (CTC) and others, in joint-venture initiatives.

The Marketing Communications Division also works closely with the Tourism Advisory Council (TAC). Marketing strategies and programs will continue to be reviewed by TAC. The Department of Tourism and Culture is represented on TAC by the Deputy Minister. The Director of Marketing Communications and the Director of Strategy, Evaluation and Industry Investment also attend TAC meetings. TAC provides sound advice to the Minister, and the Department on research, product development and marketing strategies.

Advertising and Publicity

The 2012 marketing creative execution was designed to build on the previous year's campaign of 'Only in PEI'. Signature words were highlighted in all the ads as they were designed with a beautiful Island imagery incorporated in the letters of the words. 'Play'; 'Savour'; 'Wander' and 'Inspired' are some of these signature words. The intent was to drive more emotion and impact through the creative.

Online advertising continued to dominate our media buy in 2012. Broadcast or content integration also played a big role. *Hockey Day in Canada* took place on the Island and gave us the opportunity to incorporate good promotion of Prince Edward Island as the premiere vacation destination. *Come Dine with Me Canada* filmed five episodes here.

We hosted *The Bachelor Canada* and formed a good marketing partnership with Radio-Canada's *Tout le Monde en Parle*.

Our PR campaign took a promotion of Prince Edward Island on the road at 5 festivals in Ontario. There was a contesting component and great activities for the families. We also held 3 very successful media events in Toronto, Montreal and Halifax. Working in partnership with the non-profit *Saint Vincent de Paul*, we took over a busy area in downtown Montreal and turned it into a place for people to give a donation of gently used clothing to the charity and take time to sample PEI food or get photographed on the beaches of Prince Edward Island.

Co-op advertising includes a matching of private and public sector funds for marketing purposes. In addition to purchasing listings and display space in Tourism PEI publications, co-op advertising takes place in the form of packages or special offers from local business, and may be placed in publications or on websites such as CAA/AAA, trip advisor, or regional newspapers. These advertising opportunities are sold to the PEI tourism industry by a local company sub-contracted by the account management agency.

The Marketing Communications division continues to promote the key demand generators identified in the TAC strategy: coastal, culinary, golf and culture. Advertising markets include Ontario, Quebec, New Brunswick, Nova Scotia as the primary markets. Secondary markets include New England, New York, UK and Japan.

Fulfillment

From April 1 2012 to April 1 2013 –

- A total of 55,847 Visitor Guides were mailed out, of which 9,440 were French guides.
- There were 1,990,520 visits to the website, with an average of 5.79 pages viewed per visit.
 - o Visitors spent an average of 4.32 minutes on the site.
 - o 64 per cent of visitors came through search engines, 88 percent of which came through Google. Another 12 per cent came through referrals, 7 per cent through web banners and 3 per cent via online ads.
 - o 10.9 per cent of visitors came directly to the website, likely as a result of seeing the URL advertised.
 - o Visitors to the website were mostly Canadian (74.5%), with 419,526 American visits, 33,924 Japanese visits, and 74,653 visits from Europe.

Trade and Sales

The Trade and Sales section is responsible for generating sales of Prince Edward Island's vacation products through trade and consumer channels.

Trade and Sales staff work with tour operators, motor-coach companies, cruise lines, auto clubs, and travel agents. Also, in conjunction with industry partners, Trade and Sales represents the province at marketplaces, sales missions, and consumer shows.

The section focuses primarily on North America, Japan, United Kingdom, and Germany.

During the 2012-2013 fiscal year, the Trade and Sales section participated in the following activities:

- National Tour Association (NTA)
- American Bus Association (ABA)
- Rendezvous Canada (RVC)
- World Travel Mart (WTM)
- ITB-Berlin

Trade and Sales Staff also participate in consumer travel shows in Montreal, Toronto, Ottawa, Quebec City, Boston, Foxboro, New York City and Halifax.

The Trade and Sales staff provide an ongoing connection between tourism operators on the Island and members of the travel trade that have clients visiting Prince Edward Island or are developing new initiatives to encourage and increase new visitors to Prince Edward Island.

In 2012-2013, 51 cruise ships arrived in Prince Edward Island carrying 67,562 passengers. Through the Atlantic Canada Cruise Association, a number of joint marketing partnerships were undertaken.

Holland America continues to bring the most ships to the Charlottetown port. Other cruise lines such as Princess Cruises and Celebrity Cruises are consistent visitors.

Digital Marketing

This section of the Marketing Communications division is responsible for the online marketing programs and tools that drive web, mobile and social media usage, email response rates, sales conversion and enhanced consumer experience while driving increased engagement. The Digital marketing section also ensures a seamless process in executing effective customer relations management as part of the overall Tourism PEI marketing strategy. It is the lead for the operation of ITS technology, including the central reservation system and Book PEI.

Visitor Information Centres (VIC)

The province operated five Visitor Information Centres at the following locations: Borden-Carleton, Wood Islands, Souris, West Prince, and the Charlottetown Airport. Borden-Carleton provided services to the travelling public throughout the entire year.

The Charlottetown, Cavendish, St. Peters and Summerside VICs operated as Destination Centres in partnership with the Province through the Destination Centre Agreement with their respective regional tourism associations.

Corporate Services

The Corporate Services Division of the Department of Tourism is responsible for general administration, financial services, human resources, records management, insurance matters, FOIPP, Provincial Parks and Provincial Golf Operations.

Provincial Parks and Confederation Trail

2012 was an eventful season in the PEI Provincial Parks system. In May, following a public request for proposals process the province leased the campground operation at Green Park Provincial Park to a private operator. The Green Park day use area was maintained by Provincial Parks but all expenses associated with the campground operation were transferred to the new operator. The operator had a successful season more than doubling the number of sites sold at Green Park the previous year.

The remaining ten Provincial Park campgrounds showed an increase in attendance over the previous season recording 34,234 camp sites sold for an increase of over 9% over 2011. As always, weather played a major factor in campground attendance and a beautiful summer was a key factor to a strong season.

In April of 2012, PEI Provincial Parks became the first campgrounds in the province to utilize BookPEI reservation system. BookPEI allowed campground guests to book specific sites directly on-line or by calling the Tourism PEI toll-free line. The new reservation system was embraced by Provincial Park staff who trained extensively in the off-season to ensure a seamless transition for guests. From a consumer point of view, BookPEI was well received by our guests who enjoyed the convenience of selecting their own site.

In the 2012-13 fiscal year PEI Provincial Parks undertook a number of capital improvement projects across the system. Major improvements included the first phase of the development of 3way sites at Cedar Dunes Provincial Park, a major washroom renovation at the Mill River Fun Park, general site improvements at Jacques Cartier Provincial Park and a complete electrical overhaul of the quad lift at Brookvale Winter Activity Park.

With regard to Brookvale Winter Activity Park, the electrical overhaul of the quad lift was completed prior to the alpine site opening in January. Although the 20+ year old lift has been well maintained over the course of its lifetime, the electrical system had become outdated, unreliable and no longer met current industry standards. On the slopes,

Brookvale experienced another successful season. School visits remained strong and the Brown's Volkswagen Snow School attracted a record number of students in 2013 with over 285 registrations up over 30 students from the previous season. At the nordic site, the season got underway in mid-January and once the facility opened, users experienced great trail conditions well into the month of March.

Mill River Provincial Park played host to the wrap-up weekend for the inaugural Up West Winterfest from January 18-20. Up West Winterfest saw the communities of Tignish, O'Leary and Alberton combine their efforts to host a regional winter carnival. Events were spread throughout the communities and concluded with activities at the Rodd Mill River Resort. It included events such as snow sculpting contests, public skates, tobogganing, cross country skiing, sleigh rides, bonfires, and snow golf. The event was sponsored by the Department of Tourism and Culture, O'leary, Alberton, Tignish and the Rodd Mill River Resort. Based on the success of the inaugural event, plans are underway to host the 2nd Annual Up West Winterfest in 2014.

The profile of Confederation Trail continues to grow and 2012-13 was another banner year. In the spring of 2012, through the tireless efforts of Doug Murray (Island Trails), Trans Canada Trail (TCT) approved a project to connect the remaining un-developed section of Confederation Trail from Stratford to Iona. Once completed, this mulit-year product will result in both a complete 'Kings County loop' as well as trail connections from Wood Islands to Stratford. Funding partners in the project included TCT, the Department of Tourism and Culture, the Department of Transportation and Infrastructure Renewal and the Town of Stratford.

Also in 2012-13, Confederation Trail was selected by the Atlantic Canada Trails Association (ACTA) to pilot the newly developed trail economic impact study. The purpose of the study was to develop and implement a consistent methodology for assessing the impact of trails on communities, provinces and regions. The economic impact study is the first of its kind in Canada and some of the highlights for PEI included:

- Approximately 17,906 trail users visited the three survey locations (Morell, Hunter River and Kensington) between June 1st and September 30th.
- Approximately 63% of users were cyclists, and overall 41% of trail users are PEI residents, while 59% are visitors to the province.
- Most visitors to the province planned to use the trail before they arrived (69%), while others plan after arrival (23%), come as part of a tour (3%), or by chance (5%). This demonstrates the effectiveness of our marketing efforts and more importantly proves the trail is a key attraction for these visitors.
- Trail-related spending is 29% of all trip spending and expenditures benefiting local businesses in proximity (30 minutes) of the trail represent 25% of all spending.
- The highest share of total expenditures is from western provinces (30%), followed by countries other than the U.S. (20%), and third from Ontario (16%).

Provincial Golf Courses

Golf on PEI is considered one of the pillars of the tourism industry and is therefore an important piece of its strategy.

This season there were 38,838 non member rounds played at the four Provincial courses. This is 1,598 rounds up from the 2011 season. The 2012 season had 53 days of measured rain in our 157 day season with 13 of those coming in September.

In 2012 our standard and packaged rates did not change from the 2011 season. Three new round packages were added to our price list including combo rates which included a round at either Brudenell or Crowbush with a round at Dundarave and a weekly rate. The weekly rate offered the golfer 7 days of unlimited golf at any one of our courses. The premium green fee rate time was changed from 9AM-12PM to 9AM-11AM.

Adult membership rates did not increase in 2012. We had 680 members:

- 289 full members
- 64 senior members
- 45 intermediate members
- 84 weekday members
- 115 introductory members
- 83 junior members.

This total was up 62 members from the 2011 season. There were 72 of these members that opted to include Dundarave as an addition to their membership.

In 2012, our Provincial Golf Courses re-branded as PEI's Finest Golf, with a new website and new marketing material created.

The Links at Crowbush Cove

- Opened for the season on May 18 and closed Sept 30.
- A make over to the bar and restaurant took place over the winter months. Flooring, a new paint scheme and some upgrades to the kitchen were completed.
- In December a work crew started to clean up areas that we felt were becoming overgrown with trees and bushes along holes 1, 2, 3, 4, and 5. This work will help with pace of play and the health of #2 green as it will now receive more sunlight throughout the day.
- On October 1 we closed the course to re-sod the greens on holes 4-18 including the practice greens. The old sod was stripped and the greens were prepped a few at a time as deliveries of the new sod were scheduled. We anticipated this would take 3 weeks to complete the entire project, because of good weather we were able to complete the job in 2 weeks. The greens went into the winter in good shape as the new sod had begun to take root.

Mill River

- Opened for the season on May 11 and closed on Oct 14.
- The roof on the Hunter Duvar house was replaced.
- A new path was created on 1 to avoid wet areas that were a problem in the spring and fall.
- A new tee was built on #1 to give more space and straighten the hole. The tee went from a "runway" style to four separate decks. The entire deck was sodded using grass stripped from the greens at Crowbush

Brudenell/Dundarave/Divine 9

- Brudenell opened for the season May 13 and closed Oct 14. Dundarave opened on June 1 and closed Sept 30.
- A new bridge on #5 at Brudenell was built to replace the existing bridge that was deteriorating and becoming unstable.
- In January a work crew started to clean up areas that we felt were becoming overgrown with trees and bushes on Brudenell holes 4,6,7,8, and 11. This work will help with pace of play and the health of 4 tee as it will now receive more sunlight throughout the day.
- On Sept 10 we had a huge rain storm that caused the culvert on 8 at Dundarave to wash out. The rain caused us to close Crowbush, Brudenell and Dundarave on Sept 10 because of wet conditions and also Dundarave on Sept 11 while a temporary bridge was built. In March the culvert was replaced with a cement one and the path was raised 8 feet higher.

Human Resources

Permanent Positions

	Full-time	Part-time	Total
Corporate Management	4	0	4
Corporate Services (Finance & Administration)	1	0	1
Brookvale	0	4	4
Provincial Golf Courses	7	63	70
Provincial Parks	5	8	13
CRM/Sales	2	5	7
Marketing	17	0	17
Strategy, Evaluation & Industry Investment	10	0	10
Public Library Service	29	30	59
PEI Museum & Heritage Foundation	13	5	18
Culture/Provincial Archives	12	0	12
Total Permanent Positions	100	115	215

Student, Casual and Temporary Positions

	Total
Corporate Services (Finance & Administration)	2
Brookvale	52
Provincial Golf Courses	79
Provincial Parks	202
CRM/Sales	35
Marketing	3
Strategy, Evaluation & Industry Investment	2
Provincial Library Service	1
Culture/Provincial Archives	1
PEI Museum and Heritage Foundation	45
Total Student and Casual Positions	422

Intern Positions

	Total
Strategy, Evaluation & Industry Investment	1
Culture/Provincial Archives	1
Total Intern Positions	2

Financial Services and Office Administration

Financial Services is responsible for budgeting, forecasting, regular expenditure monitoring, and the day to day fiscal management of the Ministry.

Financial Services also manages invoicing, receivables, collections, payables, banking, taxes, procurement, and external audits.

Additional responsibilities include records management, Freedom of Information and Protection of Privacy Act compliance, contracts, insurance coordination, telecommunications, fleet management, and office administration.

Departmental Division Activities

General Administration

General administration consists of the Office of the Minister and Deputy Minister providing leadership, overall management, administration, and communication for the department.

Culture and Heritage

The Culture and Heritage division is responsible for managing and operating the Public Archives and Records Office as well as programs and services relating to culture, arts and heritage. The following legislation is the responsibility of the division:

- *Archives and Records Act*
- *Fathers of Confederation Buildings Act*
- *Heritage Places Protection Act*
- *Lucy Maud Montgomery Foundation Act*
- *Museum Act*

Pursuant to legislation the following bodies and organizations provide a separate annual report to the Legislative Assembly and are not included in this report:

- Confederation Centre of the Arts
- Lucy Maud Montgomery Foundation
- P.E.I. Museum and Heritage Foundation

Culture and Heritage

The Culture and Heritage section focuses on the promotion of the arts and the cultural industries. Programs include the *Community Cultural Partnership Program* (CCPP), the *Programme de partenariat culturel communautaire* (PPCC) which support community cultural development. Support is also provided to a number of organizations and cultural venues including the Prince Edward Island Council of the Arts, Theatres, regional arts councils, the Community Museums Association of Prince Edward Island, six school/communities centres, and other cultural entities.

Culture Program Highlights

- The Community Cultural Partnership Program provides support to not-for-profit community-based organizations for cultural and heritage activities supported 20 projects in the Anglophone program and 19 projects in the Francophone program.
- In 2012-2013 the department supported the second annual Culture Days initiative. This event highlights the contribution that culture makes to our community. The event celebrated all aspects of culture. Culture Days 2012 was organized by the Cultural PEI with financial assistance from the Division of Culture, Heritage and Libraries.
- The P.E.I. Council of the Arts supported 19 grants that affected 27 artists, 1 public art commission, Artisans on Main, Art in the Open, and 4 PEI Arts Awards through their various programs administered by the Council on behalf of the Department of Tourism and Culture.

- Five projects received funding through the *Programme de coopération et d'échanges entre le Québec et l'Île-du-Prince-Édouard*.
- Four regional arts councils across Prince Edward Island were supported with operational funds and funds to support community arts grants.
- Under the Canada/P.E.I. Agreement on the French Language Services, funding was provided to six school/community centres in Charlottetown, Evangeline, Summerside, Rustico, Souris and DeBlois.
- Assistance and funding was provided to the Prince Edward Island Seniors Citizens' Federation to continue the successful LEAP Program.
- Music P.E.I. produces Showcase PEI, Music PEI Week and participates in a number of music conferences and events on an annual basis. Supported by a financial investment from the Department of Tourism and Culture, Music PEI provides funding for emerging artists, export development and career invest programs. These programs supported 20 artists in 2012-2013.
- The 2012-2013 year marked the eighth year for the ArtsSmarts PEI program, with funding contributions from both the Department of Tourism and Culture and the Department of Education and Early Childhood Development. In the fiscal year, funding was provided to ten projects throughout Prince Edward Island with 590 students, 12 artists and 51 teachers participating in the program.

Public Archives and Records Office (PARO)

The Public Archives and Records Office (PARO) operates under the authority of the Archives and Records Act (SPEI 2001, cap.28). It is comprised of the Public Archives unit and the Recorded Information Management (RIM) unit.

The Public Archives unit fulfills the first part of the legislated mandate to acquire, preserve, and make available for public research the records of the government of this province and private-sector papers and records deemed to be of lasting historical value. In doing so, the Public Archives operates as the custodian of historically relevant records of the Government of Prince Edward Island. It also collects and processes records of individuals, companies, organizations, institutions and associations as they relate to the history of the Prince Edward Island. These records include not only textual materials such as correspondence files, journals, and newspapers, but also materials in other formats and media such as photographs, maps, architectural drawings, film, and sound recordings.

The Public Archives provides services to both Government and members of the general public. Acting as the corporate memory of the Government of P.E.I., staff respond to departmental inquiries for a wide range of textual material and images documenting past activities. Public users at PARO include teachers, students, historians, lawyers, surveyors, and genealogists. The Public Archives offices and Researcher Reading Room are located in the Hon. George Coles Building, Charlottetown.

The Recorded Information Management unit is responsible for delivering a corporate program that provides central recorded information management services and support

to all departments, agencies, corporations, and commissions within the Government of Prince Edward Island. A key responsibility of the RIM unit is overseeing the day-to-day operation of the Provincial Records Centre which provides free, secure, off-site records storage and retrieval services to all government departments and agencies.

Researcher Visits

- 3,383 researchers visited the Public Archives Reading Room throughout the year. While 2,667 were residents of Prince Edward Island, the remainder came from other provinces in Canada as well as from as far away as the United States, Great Britain, Ireland, the Netherlands, Australia, and Japan.
- 625 new researchers registered in the Reading Room.
- For those individuals who were unable to visit the Public Archives in person, staff responded to 891 inquiries which came by email, telephone, and traditional correspondence.

Departmental Requests

- Records Centre staff retrieved 1,042 files/boxes for government employees and refiled 888 files/boxes. Staff also arranged for the destruction of 2,882 boxes of records from departments and 750 boxes at the Records Centre.

Provision of Copies

The Public Archives provided to the public:

- 10,788 copies of archival documents;
- 581 digital images

Collections and Holdings Management

New Donations to the Public Archives

The Public Archives accepted 68 new donations into the collection. A total of 63 collections were added to the private holdings and 5 to the government holdings. The new material included:

- 12.87 m. of textual material;
- 6 books;
- 10 maps, plans, and drawings;
- 1, 119 photographs;
- 34 negatives;
- 8.04 GB of electronic records;
- 31.7 hrs of sound recordings;
- 3.83 hrs of film recordings.

Some Significant New Donations at the Archives

- A collection of over 4 m. of textual records and other materials documenting the business, political, and social life of the prominent Macdonald family of Georgetown, P.E.I., 1778 to 1994 (Accession #4225). This includes papers of three brothers who were heavily involved in Island business and political life. All three served as MLAs, two were Lieutenant Governors, one was a Senator, and one a Father of Confederation. The papers came from two separate donations; one from a descendant in the United States, while the other came from the owners of the family home in Georgetown.
- A photograph album containing 112 images believed to belong to H. J. Cundall (Accession #4158). This album complements a collection of Cundall's letterbooks already held by the Archives. This exciting donation also represents one of the earliest photo albums known to exist in P.E.I., second only to the well-known Helen Bayfield album (Accession #3466/HF74.27). The Cundall photograph album formed the basis of an article by Public Archives staff entitled "Picture This: A New Perspective on Early Prince Edward Island Photography" which will appear in the *Island Magazine* (Spring/Summer 2013).

Transfers to the Records Centre

- The Records Centre was unable to accept new transfers for much of the year as it was at full capacity. The Records Centre reopened for transfers in February 2013 and accepted 1,729 new boxes by the end of March 2013. At the end of 2012-2013, there were a total of 17,886 boxes at the Records Centre.

Preservation

Preserving Archival Collections

- Conservation treatment (humidification, pressing, mending, etc.) was carried out on 24 items/collections at the Public Archives.
- Recent staffing changes, changing technology, and lack of reliable equipment (microfilm camera, readers, etc.) has forced the Public Archives to evaluate its micrographics program. Some microfilming was carried out during this time, but the focus has been on the review, which is ongoing. During the 2012-2013 year, the Archives produced 5 reels of microfilm.
- Public Archives staff digitized 277 items from the collection. The majority of the digitization was done at the request of patrons and helped to limit future handling of the original documents.

Records Centre Expansion

- Capital Budget funds were obtained for the expansion of the Provincial Records Centre. Renovations began in August 2012 and included expanding the storage area, installing new shelving, improving air quality controls throughout the site, and moving and consolidating staff workspace. The renovations were completed in February 2013. The Records Centre opened its doors to new shipments on 14 February 2013.

Outreach

Public Archives Tours

- Archives staff conducted workshops and tours for a number of events and groups including the Provincial Heritage Fair, Holland College's Heritage Carpentry Program, participants in the Provincial Records Manager's recorded information management course, and Seniors' College genealogy course participants.

Archives and RIM Lectures and Training

- Public Archives and RIM staff provided training for 43 government RMLOs who attended the 3-day RIM Training course. The course was offered in May and October 2012.
- Archives staff participated in the planning and teaching of a Seniors College course focusing on the province's heritage institutions in collaboration with the PEI Museum and Heritage Foundation and UPEI's Robertson Library.
- Public Archives staff gave a presentation to the UPEI Public History class. Together with UPEI's University Archivist, the Archives also presented a hands-on archival workshop for UPEI History students.
- As in previous years, the Public Archives continued to provide support and training for a UPEI Public History student. This year's student engaged in a transcription project of historical surveys. The student also used resources available at the Archives to place the material into context and shed light on the survey respondents.

Connecting to Users Online

- The Public Archives and Records Office website (www.gov.pe.ca/archives) received 59,189 visits and 1,102,785 page views. As in previous years, the Baptismal Index was the most highly-accessed resource on the website.
- Public Archives staff continued to work with IT Shared Services to convert 19 existing PARO databases to a new platform. The project also included the creation of a new web interface to make more of our resources available through the Archives' website. The project is on-going and is due for launch in 2013-2014.

Collaborative Projects

- The Public Archives unit continued to work with the Office of the Clerk of the Legislative Assembly, Provincial Library Services, and UPEI's Robertson Library to undertake the digitization of records of the Legislative Assembly. The website (www.peildo.ca/) was launched in February 2013 and includes over 76,000 pages of keyword-searchable content from the Journals of the Legislative Assembly (1893 to 2011), biographies of MLAs (1873-1993), photographs, and several hours of audio recordings of the proceedings of the House.
- Together with UPEI's Robertson Library, Dr. Edward MacDonald (History Department, UPEI), and Dr. Alan MacEachern (History Department, University of Western Ontario), the Public Archives engaged in a project to digitize a collection of historical

surveys found in the Smith, Alley collection (Accession #2702/s20). The purpose of the project was to shed light on these unique and under-utilized records while at the same time minimizing handling of the fragile originals. Digitization of the 19 questionnaires was carried out at Robertson Library. The surveys were transcribed by the Public Archives' Public History Student intern.

- Working with UPEI's Robertson Library, the Public Archives digitized a photograph album believed to belong to H. J. Cundall (Accession #4158). The album represents one of the earliest albums known to exist in Prince Edward Island, possibly second only to the Helen Bayfield album at the Public Archives (Accession #3466/HF74.27). Digitizing the album allowed the Archives to make the valuable resource available to users without excessive handling of the original.

Part of the Heritage Community

- Public Archives staff continued to serve on the executive of the Archives Council of PEI, respond to inquiries from the PEI archival community, and participate in the judging of Heritage Fair submissions during the 2012-2013 year.
- Archives staff continued to submit monthly articles to the *Voice for Island Seniors*, a monthly *Guardian* newspaper supplement, focusing on genealogical research.

Collaboration within Government

- Public Archives and RIM staff continued to work with staff of the Department of Environment, Labour, and Justice to develop a strategy to pursue litigation under the Tobacco Damages and Health Care Costs Recovery Act. The Legal Hold has remained in place and a mechanism has been put in place to continue with the destruction of non-related documents. The actual search process has been stalled until a Steering Committee is established and funds are allocated to fund the project team.
- Public Archives staff has continued to play a role on the Business Continuity Management (BCM) Corporate Planning Committee and have now joined the departmental team for Tourism and Culture. As part of the latter, PARO staff have completed assessments of both the Public Archives and the Provincial Records Centre. It is expected that the BCM process will continue into 2013-2014.
- The Public Records Committee met once during the year and approved 69 schedules for seven departments as authorized under the Archives & Records Act.
- The RMO Network Group met in April and December 2012. The purpose of the Network Group is to bring together the RMOs to share their experiences, knowledge and work together to resolve problems. The Public Archives and Records Office works with the RMO Network Group to communicate policy, procedures and standards for RIM throughout government.

*all stats for April 2012- March 2013

Provincial Libraries – The Public Library Service (PLS)

The Public Library Service (PLS) is responsible for the administration and operation of Prince Edward Island's province-wide public library system and for the provision of technical services to the province's school libraries. Public library service on Prince Edward Island is a partnership between the provincial government and participating communities. The provincial government, through the PLS, provides direct delivery of public library service, materials, and library staff and is responsible for administration, strategic planning, management, automation, collections development, and technical services. Communities have the responsibility of providing and maintaining library facilities and providing library equipment and furnishings.

Services to the public are delivered through a number of locations. The Public Library Service has 26 libraries including three school-housed public libraries and three French-language branches. Confederation Centre Public Library in Charlottetown serves as the central library for the province. The Government Services Library, located in Charlottetown, a government publications repository, is also a branch of the Public Library Service.

Public libraries are located in communities across Prince Edward Island including Alberton, Tignish, O'Leary, Tyne Valley, Abrams Village, Summerside, Kensington, Borden-Carleton, Kinkora, Crapaud, Breadalbane, Hunter River, Cornwall, Charlottetown, Stratford, Mount Stewart, Morell, St. Peter's Bay, Souris, Montague, Georgetown, Murray Harbour, and Murray River.

Public Library Service headquarters, located in Morell, provides administration and technical services. This office manages the ordering, processing, cataloguing, and distribution of materials for the public libraries and offers similar services to public schools in the province.

The Public Library Service offers resources in French in a number of locations. The school-housed public libraries at Abrams Village, the J. Henri Blanchard Library at the Centre Belle Alliance in Summerside and the Carrefour de l'Isle-Saint-Jean are French-language libraries. French materials are also found at a number of other libraries in communities with French-speaking residents or French immersion school programs.

Libraries provided community programs in both English and French to encourage reading family literacy, including baby lapsit, storytimes, author tours, family literacy day, summer reading club, puppet shows, and Canadian Children's Book Week.

Friends of the Library groups are active in many libraries of the Public Library Service. Friends are non-profit groups of community volunteers who value, support and champion the local public library. The Friends support library services and programs by raising funds and awareness of the library in local communities.

Serving Islanders

Membership Growth

- 4,369 new library cards issued.

Popular Materials

- 20,650 new materials added to the library;
- 786,008 library items borrowed;
- 15,000 items borrowed each week, 2,100 items borrowed every day and 90 items borrowed each hour from public libraries across PEI.

Digital Library

Social Butterflies

- The PLS keeps in touch with Islanders through social media. We have expanded our digital presence to include Facebook, Twitter, Pinterest and Good Reads.

E-Resources

- Through OverDrive – an online platform for eBooks, eAudiobooks and other digital material:
 - 1,975 eBooks and eAudiobooks were available to download;
 - 18,161 eBooks and eAudiobooks were downloaded;
 - The Public Library Service added digital music, with the launch of Freegal – an online service to download music onto computers and mobile devices. Through Freegal, all PEI library card users can download and keep 3 songs each week.

Information Portal

- Available in French and English, the PLS' website, www.library.pe.ca, continues to be a popular resource for Islanders to discover the most up-to-date information on library services, programming and new materials across PEI;
- 209,057 visits to the PLS's web site and 345,499 pageviews

Technology for All

- The PLS is committed to providing all Islanders with access to public computers and the Internet. Public computers are found in all of the PLS' 26 locations and each library offers access to Wi-Fi.
- 55,022 computer sessions

Bold New Spaces

- Launch of a new teen Space at Confederation Centre Public Library, a project of the Rotary Club of Charlottetown Royalty
- New teen space created in the Dr.-J.-Edmond-Arsenault Library through a partnership with Carrefour Community Center and Fonds de la jeunesse acadienne du Grand Charlottetown
- Renovations and refurbishments at St. Peter's Library and Summerside Rotary Library

Programs for Everyone

- Libraries host entertaining and enriching programs including book clubs, baby lapsit, story time, health and wellness seminars, Island history, crafts, gardening and much, much more. In 2012-2013, 4,556 programs were enjoyed by 42,689 people in libraries across the province. Over 2,000 volunteers assisted in the delivery of these programs.
- French Library Services offered a Christmas poetry contest in the six French communities for school-aged children. The winners had their poems published in the French newspaper *La voix acadienne* and read on air during the morning broadcast on Radio Canada.

All Together Now!

- Celebrated a community reading together with the 3rd annual One Book One Island. This Island-wide literacy initiative encourages all Islanders to read together. This year's selection was *Island* by renowned Canadian author Alistair MacLeod. Highlight of the celebration was a visit by the author to Prince Edward Island libraries.

Literacy-Focused

- English as an Additional Language for Newcomers
 - 115 tutors;
 - 110 participants
- Summer Tutoring
 - 677 children participated in 20 libraries
- TD Summer Reading Program
 - 1411 children registered;
 - 575 programs;
 - 5175 program participants

Community Connections

- Home Library Service, outreach service delivers library materials to Islanders who cannot visit the library due to a visual disability, illness or mobility issues. This service operates through a partnership between the library and local community volunteers. Home Library Service complements the Community Care Service which delivers library materials to Community Care facilities throughout the province.
- Partnered with the PEI Breast Cancer Information Partnership, and the Canadian Breast Cancer Foundation, Atlantic Region to select and purchase a variety of books and materials about breast cancer for distribution in public libraries across the province.
- English as an Additional Language Service (EAL) operates in partnership with the PEI Association of Newcomers. The service trains volunteers tutors to provide EAL tutoring to new English learners and is offered in Summerside, Charlottetown and available online. Conversation circles are ongoing in Montague, Cornwall and Charlottetown.
- Francophone author Michèle Marineau toured the libraries and schools in the six francophone areas of the province. This initiative was a collaboration with French Library Services, Communications-Jeunesse and the French Language School Board.

Excellence in Service

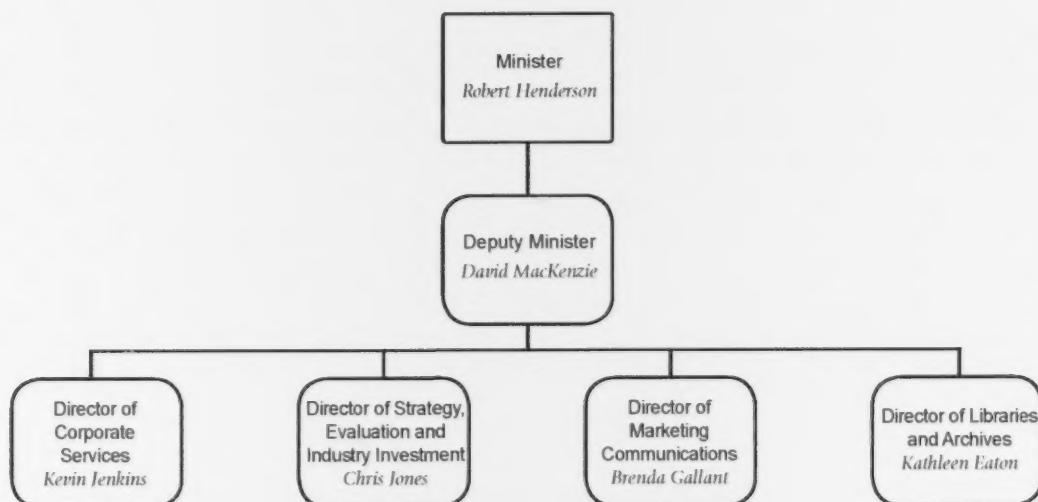
- Library Skills Development Certificate training program offered a 4th year of courses to public library staff. This PLS designed staff training program provides training by expert facilitators on various areas of library service. This year day long sessions were offered on "Marketing" and "Children's Services: Programming and Outreach."
- This year, eight staff members were awarded a Certificate of Completion and a commemorative pewter pin for completing the Library Skills Development Program. The recipients were Stephenie Campbell, Swarna Chandrasekere, Minerva Gamble-Hardy, Kelly Gillis, Mary Lou Hansen, Jane McKinney, Luann Molyneaux and Maria VanDeCappelle.
- Branch Services Librarian Norma Collier received the Nora Bateson Staff Award for Excellence in Library Service.

*all stats for April 1, 2012- March 31, 2013

Appendix A

Departmental Organization Chart

Departmental Organization Chart, As of March 31, 2013



Appendix B

Legislative Responsibilities, Boards, And Commissions

Acts

Archives and Records Act
Fathers of Confederation Buildings Act
Heritage Places Protection Act
Highway Signage Act
Lucy Maud Montgomery Foundation Act
Museum Act
National Park Act
Public Libraries Act
Recreation Development Act
Tourism Industry Act
Tourism PEI Act
Trails Act

Boards/Commissions/Agencies

Tourism Advisory Council
Tourism PEI Board
Tourism Arbitration Board
Prince Edward Island Liquor Control Commission
Prince Edward Island Museum and Heritage Foundation

Appendix C

Financial Statements

Tourism PEI

**Financial Statements
March 31, 2013**



June 19, 2013

Independent Auditor's Report

To the Minister of Tourism

We have audited the accompanying financial statements of **Tourism PEI**, which comprise the statement of financial position as at March 31, 2013, and the statement of operations, changes in net debt and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of **Tourism PEI** as at March 31, 2013, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

ArsenaultBestCameronEllis

Chartered Accountants

Tourism PEI
Statement of Financial Position
As at March 31, 2013

	2013	2012
	\$	\$
Assets		
Financial assets		
Cash	1,094,033	102,288
Accounts receivable (notes 3 and 4)	1,166,927	1,225,358
	<hr/>	<hr/>
	2,260,960	1,327,646
Liabilities		
Accounts payable and accrued liabilities (note 4)	2,419,530	1,394,390
Due to the Province of Prince Edward Island (note 2)	1,104	58,698
	<hr/>	<hr/>
	2,420,634	1,453,088
Net debt	<hr/>	<hr/>
	(159,674)	(125,442)
Non-financial assets		
Tangible capital assets (note 1)	1	1
Inventory	135,921	93,861
Prepaid expenses	23,752	31,580
	<hr/>	<hr/>
	159,674	125,442
Accumulated surplus	<hr/>	<hr/>
	-	-

Approved by the Corporation

Robert Stander Minister

(2)

Tourism PEI

Statement of Operations

For the year ended March 31, 2013

	2013	2013	2012
	Budget (unaudited) \$	Actual \$	Actual \$
Revenue			
Grants from Province of Prince Edward Island	15,534,400	15,379,196	17,456,822
Marketing	1,150,000	947,656	1,082,181
Visitor Services	105,000	100,948	100,450
Brookvale Ski Park	340,000	349,655	360,128
Park Operations	919,000	1,142,604	995,636
Golf Operations	3,975,000	4,042,454	4,013,563
Book PEI fees	40,000	48,300	38,447
	22,063,400	22,010,813	24,047,227
Expenses (Schedule)			
Finance and Administration	278,100	211,514	938,729
Parks Administration	364,400	356,404	393,472
Park Operations	2,896,800	3,044,660	3,171,522
Brookvale	714,700	745,804	693,973
Golf Operations	4,893,900	4,843,911	5,075,974
Strategy and Evaluation	743,900	656,091	760,871
Industry Investment	3,080,900	2,825,253	3,061,560
Regulation and Compliance	210,100	202,339	199,419
French Services	253,900	253,870	254,026
Business Development	725,900	685,405	857,060
Visitor Services	680,000	669,052	735,294
Marketing	5,172,300	5,880,755	5,800,783
Media Relations/Editorial	394,300	352,227	378,525
Fulfillment	669,100	386,532	553,189
Publications	554,400	482,854	560,062
Travel/Trade Sales	430,700	414,142	412,768
Provision for bad debts	-	-	200,000
	22,063,400	22,010,813	24,047,227
Operating surplus			
	-	-	-

(3)

Tourism PEI

Statement of Changes in Net Debt For the year ended March 31, 2013

	2013 \$	2012 \$
Operating surplus		
Acquisition of inventory	(135,921)	(93,861)
Acquisition of prepaid expenses	(23,752)	(31,580)
Consumption of inventory	93,861	122,124
Use of prepaid expenses	31,580	48,515
	<hr/> (34,232)	<hr/> 45,198
Decrease (increase) in net debt		
	(34,232)	45,198
Net debt - Beginning of year	<hr/> (125,442)	<hr/> (170,640)
Net debt - End of year	<hr/> (159,674)	<hr/> (125,442)

(4)

Tourism PEI
Statement of Cash Flows
For the year ended March 31, 2013

	2013	2012
	\$	\$
Cash provided by (used in)		
Operating activities		
Operating surplus		
Net change in non-cash working capital items		
Decrease (increase) in accounts receivable	58,431	(80,704)
Decrease in due from the Province of Prince Edward Island	-	487,991
Decrease (increase) in inventory	(42,060)	28,262
Decrease in prepaid expenses	7,828	16,935
Increase (decrease) in accounts payable and accrued liabilities	1,025,140	(488,045)
Increase (decrease) in due to the Province of Prince Edward Island	(57,594)	58,698
	<hr/>	<hr/>
	991,745	23,137
Net change in cash	<hr/>	<hr/>
Cash - Beginning of year	991,745	23,137
Cash - End of year	<hr/>	<hr/>
	102,288	79,151
	<hr/>	<hr/>
	1,094,033	102,288

(5)

Tourism PEI

Notes to Financial Statements

March 31, 2013

Tourism PEI became a Crown corporation effective March 31, 1999 under the Tourism PEI Act passed by the Government of Prince Edward Island on June 8, 1999. The objectives of Tourism PEI are to carry out tourism related activities of the Province of Prince Edward Island.

The financial results of the corporation are included in the public accounts of the Province of Prince Edward Island.

1 Summary of significant accounting policies

The financial statements of the corporation have been prepared in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board of The Canadian Institute of Chartered Accountants. The following is a summary of significant accounting policies used in the preparation of these statements.

Financial instruments

The Corporation's financial instruments consists of cash, accounts receivable, accounts payable and accrued liabilities and due to the Province of Prince Edward Island.

All financial assets and financial liabilities are initially recognized at fair value and subsequently measured at cost or amortized cost

Cash

Cash consists of cash on hand and bank balances.

Due from (to) the Province of Prince Edward Island

Current operations:

Excess revenue (expenses) for the year for Tourism PEI is recorded as a reduction (increase) in Grants from Province of Prince Edward Island and as an amount due to (from) the Province of Prince Edward Island.

Tangible capital assets

Real property transferred to the corporation at no cost is recorded at a nominal value of \$1.

Inventory

Inventory is valued at the lower of cost, determined using the average cost method, and market. Market is defined as net realizable value.

Revenue recognition and government assistance

Grants from the Province of Prince Edward Island are recorded as revenue when authorized. Revenue from marketing activities is recorded when billed and revenue from park operations, services and fees is recorded when earned as services are provided.

Tourism PEI

Notes to Financial Statements

March 31, 2013

Revenue from golf operation is recognized when goods or services are delivered to the customer and ultimate collection is reasonably assured.

Expenses

Expenses are recorded in the period in which the related goods and services are consumed except for certain marketing related expenditures that are recorded in the period the goods and services are acquired and a liability incurred and program grant expenditures that are recorded in the period in which the funds are approved for disbursement and a corresponding liability incurred.

Vacation pay and pension liabilities

The staff of Tourism PEI are employees of the Province of Prince Edward Island. Direct costs for employees of the Province of Prince Edward Island allocated to Tourism PEI are charged to the company on a per-payroll basis. Since the staff are employees of the Province, accrued vacation pay and pension obligations are liabilities of the Province and not the corporation and no liability for these costs has been accrued by the corporation as at March 31, 2013.

Management estimates

The presentation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reported period. Significant items subject to such estimates and assumptions include the valuation of accounts receivable. Actual amounts could differ.

Financial risk management objectives and policies

Tourism PEI's risk management policies are part of the overall management of the corporation's operations. Management's direct involvement in day-to-day operations identifies risks and variations from expectations leading to changes in risk management activities, requirements and actions. Management has not entered into hedging transactions to manage risk. As part of the overall management of the corporation's operations management considers avoidance of undue concentrations of risk, and employs appropriate investment and credit management policies to manage Tourism PEI's exposure.

2 Due to the Province of Prince Edward Island

	2013	2012
	\$	\$
Current operations		
Excess expenditures for the year - Tourism PEI	1,104	<u>58,698</u>

Tourism PEI

Notes to Financial Statements
March 31, 2013

3 Accounts receivable

	2013 \$	2012 \$
Accounts receivable	1,401,927	1,460,358
Less: allowance for doubtful accounts	<u>(235,000)</u>	<u>(235,000)</u>
	<u>1,166,927</u>	<u>1,225,358</u>

4 Related party transactions

During the year, the corporation utilized office premises from a Department of the Province of Prince Edward Island for nil consideration.

Tourism PEI utilizes the provincial parks, including Brookvale Ski Park, the provincial golf courses, the provincial day parks and the full service campgrounds, as well as the Visitor Information Centres in carrying out its mandate. Tourism PEI pays nil consideration for utilizing these facilities.

Included in accounts receivable is nil (2012 - \$12,000) due from departments of the Province of Prince Edward Island. Included in accounts payable and accrued liabilities is an amount of \$4,488 (2012 - nil) due to departments of the Province of Prince Edward Island, \$52,500 (2012 - \$259) due to a provincial Crown corporation, nil (2012 - \$2,182) due to a subsidiary of a Crown corporation, and \$215,250 (2012 - nil) due to a provincial government not-for-profit organization..

5 Commitments

The minimum annual lease payments required over the next four years under operating leases for base rentals including premises in Mill River expiring in August 2075 and for an equipment lease expiring in May 2016 are as follows:

	Equipment \$	Premises \$
Year ending March 31, 2014	28,164	1
2015	28,164	1
2016	28,164	1
2017	-	1
2018	-	1

In addition to the base lease premises rental in Mill River, there is a requirement to pay the corporation's pro rata share, based on rental space, of the operating costs, including property taxes, of the premises in Mill River and Brudenell.

Tourism PEI

Notes to Financial Statements
March 31, 2013

6 Financial risk management objectives and policies

Tourism PEI's principal business activities result in a statement of financial position that consists primarily of financial instruments. The principal financial risks that arise from transacting financial instruments include credit, liquidity, market and operational risk. Authority for all risk-taking activities rests with the Board of Directors (Board), which approves risk management policies, delegates' limits and regularly reviews management's risk assessments and compliance with approved policies. Qualified professionals throughout Tourism PEI manage these risks through comprehensive and integrated control processes and models, including regular review and assessment of risk measurement and reporting processes.

(a) Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty of a financial instrument fails to meet its contractual obligations. Credit risk arises primarily from the company's accounts receivable.

Accounts receivable includes trade receivables, GST receivable and other accrued receivables.

Trade receivables of \$1,091,278 are significantly concentrated with 64% of the balance due from a related group of companies. Tourism PEI's maximum exposure to credit risk is \$1,166,927, its carrying value of accounts receivable as noted on the statement of financial position.

Details of the carrying value of accounts receivable that are past due at the financial statement date are as follows:

	Current	Up to 90	Over 90 days	Allowance for doubtful accounts	Total
		days overdue	overdue		
Accounts receivable					
Trade receivables	338,668	48,455	704,155	(235,000)	856,278
GST receivable	295,867	-	-	-	295,867
Other receivables	14,782	-	-	-	14,782
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	649,317	48,455	704,155	(235,000)	1,166,927

(b) Liquidity risk

Liquidity risk is the risk that the company may not be able to meet its financial obligations as they come due. Specifically, the company needs to ensure it has adequate resources to repay all accounts payable and accrued liabilities and due to the Province of Prince Edward Island as they come due. The company's approach to manage liquidity risk is to closely monitor its cash flows and forecast the expected receipts and obligations.

The company's financial liabilities total \$2,420,634 and are expected to be repaid within one year.

Tourism PEI

Notes to Financial Statements

March 31, 2013

(c) Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the company's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour.

The company's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the company's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity. The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management.

(d) Capital management

The primary objective of Tourism PEI's capital management is to ensure that it maintains a healthy financial position in order to support its business. Tourism PEI manages its capital structure and makes changes to it in light of changes in economic conditions.

Tourism PEI

Consolidated Schedule of Expenses by Type

For the year ended March 31, 2013

Schedule

	2013		
	Salaries and benefits	Operating Goods and Services	Total
	\$	\$	\$
Finance and Administration	86,376	125,138	211,514
Parks Administration	297,779	58,625	356,404
Park Operations	2,189,181	855,479	3,044,660
Brookvale	505,809	239,995	745,804
Golf Operations	2,932,806	1,911,105	4,843,911
Strategy and Evaluation	354,915	301,176	656,091
Industry Investment	277,704	2,547,549	2,825,253
Regulation and Compliance	94,932	107,407	202,339
French Services	-	253,870	253,870
Business Development	110,684	574,721	685,405
Visitor Services	574,211	94,841	669,052
Marketing	333,152	5,547,603	5,880,755
Media Relations/Editorial	166,115	186,112	352,227
Fulfillment	99,325	287,207	386,532
Publications	112,942	369,912	482,854
Travel/Trade Sales	147,807	266,335	414,142
	<hr/> 8,283,738	<hr/> 13,727,075	<hr/> 22,010,813
	2012		
	Salaries and benefits	Operating Goods and Services	Total
	\$	\$	\$
Finance and Administration	760,809	177,920	938,729
Parks Administration	293,512	99,960	393,472
Park Operations	2,300,722	870,800	3,171,522
Brookvale	484,641	209,332	693,973
Golf Operations	2,995,200	2,080,774	5,075,974
Strategy and Evaluation	338,253	422,618	760,871
Industry Investment	276,218	2,785,342	3,061,560
Regulation and Compliance	78,436	120,983	199,419
French Services	-	254,026	254,026
Business Development	127,926	729,134	857,060
Visitor Services	634,083	101,211	735,294
Marketing	282,295	5,518,488	5,800,783
Media Relations/Editorial	225,665	152,860	378,525
Fulfillment	105,319	447,870	553,189
Publications	184,421	375,641	560,062
Travel/Trade Sales	144,630	268,138	412,768
Provision for bad debts	-	200,000	200,000
	<hr/> 9,232,130	<hr/> 14,815,097	<hr/> 24,047,227

(11)



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